



P.O. Box 149263
Austin, TX 78714-9263

PRSRT STD
US POSTAGE & FEES PAID
US POSTAL SERVICE
PERMIT NO G-10

ELECTRONIC SERVICE REQUESTED

deliver[®]
a magazine for marketers

SURVIVAL GUIDE

VOLUME 5 / ISSUE 3

Harrowing Tales from the Wild

J
U
L
Y

2
0
0
9

It's a Jungle in Here

Out there, too (as if you hadn't noticed). Truth is, many marketers are feeling a little lost these days — like those old movies where some shipwrecked soul is cast away on a deserted island, trying to develop new tools to survive, all the while scanning the horizon for signs of rescue. Sound familiar?

A recent poll by the United States Postal Service® and a leading trade magazine found that two-thirds of marketers were reducing their budgets for 2009. And many are looking past the traditional advertising media for lower-cost alternatives.

It's a tough market out there, and we're all trying to do more with less. So, in the spirit of being good citizens, we here at *Deliver*® are prepared to offer some help. We've put together a survival guide for these times (see pages 14–29) to provide insights into making the tough decisions — the right decisions — during these tumultuous times.

We've foraged for expert insights from thought leaders in the marketing industry (page 16) as well as DMA Hall of Famers who have been through a couple of downturns — and lived to tell about it (page 20). And we've gathered the wisdom of some of the long-lasting brands to show that sometimes the smartest thing to do when you feel like panicking is stick to your basics and keep it business as usual (page 26).

If that's not enough, there's great information in the rest of the magazine, too — about evaluating your ROI, relying on your printer for more and creating a direct mail piece that will have your customers salivating over your product.

Yes, it's a jungle out there. You've got to learn to survive. So get smart — and get going.

Cat Moriarty

Cat Moriarty, Editor



EDITORIAL STAFF

- Editor**
Cat Moriarty
- Contributing Editors**
Christopher Caggiano
Lori Bremerkamp
- Creative Director**
Laura Rogers
- Associate Creative Director**
Celeste Hofley
- Art Production Manager**
Joseph Ferraro
- Production Artist**
Robin Coker
- Art Director**
Grayson Cardinell
- Editorial Director**
Dan Grantham
- Associate Editorial Director**
Darrell Dawsey
- Copy Editor**
Sheila Walsh Dettloff
- Production Manager**
Lynn Sarosik

PUBLISHING STAFF

- Publisher**
Jeremy Morris
- Account Director**
Angelo Acord
- Group Account Manager**
Adam H. Wilson
- Associate Publisher**
Julie Preston
- Account Manager**
Traci McDaniel
- Project Management Specialist**
Mary Carlington
- Publication Coordinator**
Katherine Avesian

Deliver® is published six times yearly by Campbell-Ewald Publishing, a division of Campbell-Ewald, 30400 Van Dyke, Warren, MI 48093-2316. Tel: 586.558.5249. Visit *Deliver* at delivermagazine.com, or send us an e-mail at delivermag@usps.com.

Subscription rates for the U.S.A.: \$3.95 per issue. Subscription requests should be sent to: *Deliver*, Subscription Center, 30400 Van Dyke, Warren, MI 48093-2316. If you prefer not to receive *Deliver*, please visit delivermagazine.com, select My Account and Unsubscribe.

Manuscripts and photographs are submitted at the sender's risk. Enclose a self-addressed, stamped envelope for return of material. Submission of material implies the right to edit and publish all or in part. © 2009 United States Postal Service. All rights reserved.™ Trademark of the United States Postal Service. Your information is protected by our privacy policies. See usps.com for details. Unless otherwise indicated, the Postal Service™ does not endorse any individual or company, nor any service or product not offered by the Postal Service.

contents

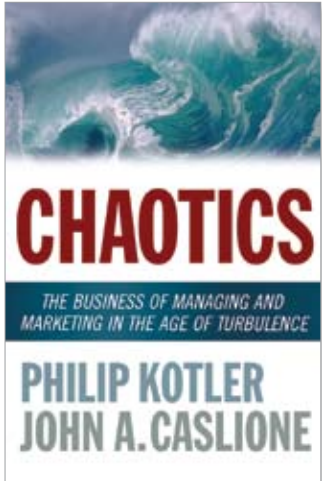


CAT PHOTOGRAPH BY ROY RITCHIE; BACKGROUND, JUPITER IMAGES; RETOUCHING, FLYING FISH STUDIOS

SURVIVAL GUIDE

- 16 Adapt to Survive**
The market has tanked, but that doesn't mean your business has to as well.
- 18 Image Check**
Developing your personal brand could be the key to career longevity.
- 20 How They Did It**
Can you survive market turmoil? Three DMA Hall of Famers tell you how.
- 22 Create Order from Chaos**
Author Philip Kotler says most marketers aren't ready for the age of turbulence.
- 26 Ride It Out**
Even in tough times, smart brands plan for the long term.

22



DELIVERABLES

- 4 Postings**
Tips for keeping your off-site partners aligned and on point, plus more.
- 6 Leader Column**
Low-cost marketing sounds great. But you get what you pay for in terms of ROI.
- 7 See Here**
Can the print media be trusted? Magazine readers seem to think so.
- 8 Demo Graphics**
Studies show technology-savvy smartphones users aren't immune to direct mail.
- 9 Outside the Box**
Sure, your printer can put ink to paper, but he also has a few other tricks to show you.
- 10 P.O.V.**
Three ways to strengthen relationships with today's wary customers.
- 12 Pushing the Envelope**
A free meal in an economy like this? Countybank says heck yeah, with its BizKit.

LAST WORD

- 30 MADD Skills**
The non-profit's strategic outreach leader discusses the emotional pull of mail.



COVER PRINTED ON RECYCLED PAPER WITH 10% POSTCONSUMER WASTE. BODY PRINTED ON RECYCLED PAPER WITH 20% POSTCONSUMER WASTE.



ON THE COVER: PHOTOGRAPHY BY JIM WRIGHT



“In these economic times, it’s probably more important to stay in front of your customer than ever. And certainly using the mail is a great way to have touchpoints.” — *Bill Jenkins, Countybank marketing director. See related story on page 12.*

deliverables

A BRIEF LOOK AT SOME BIG ISSUES IN DIRECT MAIL



Integrated marketing communications tops senior marketer concerns

Integration You’re a major company launching your latest whiz-bang product. You assign broadcast and print marketing duties to your in-house department, entrust online to a hip West Coast firm and enlist a Chicago-based agency to oversee your direct mail initiative. But now you’re struggling to keep your far-flung troops aligned and on point — and you’re not alone.

Integrated marketing communications is the top concern among senior marketers, ranking above brand building, globalization of marketing efforts and even media proliferation, according to a recent Association of National Advertisers (ANA) survey.

ANA executive vice president Barbara Bacci Mirque believes leadership fuels successful integrated campaigns. “You really can’t cede campaign leadership to your primary agency,” Mirque says. “Whether it’s a direct agency or your creative agency, they all need to be part of the discussion up front.”

Brands and their off-site partners also must share insights on consumer attitudes,

behaviors and values. “Not all channels make sense for all consumer insights or branding messages,” Mirque says. “It’s not optimal to start with ‘We’re going to run TV, radio, print and direct mail.’ When you try to take an idea and make it apply to each channel, it may not work as well.”

Mirque cites a fast-food chain and its rubber-faced mascot as an example of successful media integration. “Some of the things they’ve done on television may be executed differently online, but the overall theme is the same.” — *Bruce Britt*

PORTRAIT BY GLEKIT; JUPITER IMAGES

Make it Personal

Personalization Few acts are more impressive than hand addressing a note to someone with whom you do (or would like to do) business. So if you want to increase your appeal, put pen to paper — or have someone do it for you.

Think Ink Marketing of Huntington Beach, Calif., will hand address standard, No. 10 white envelopes, apply proprietary stamps similar to a 44-cent stamp, then bar code the envelopes for maximum postage discounts. The result? Direct mail with First-Class Mail® looks at Bulk Mail rates.

“It’s 100-percent handwritten using blue ballpoint ink,” says Lindsay Alderson, Think Ink vice president. “It’s appealing to consumers because it looks like it came from a friend, or, in this case, a company that cared to make that piece specifically for them.”

Think Ink mails 1–5 million personalized pieces per month, with typical jobs ranging from 5,000 to 500,000 pieces. Boasting response rates as high as 9 percent, Alderson says the company’s service has especially struck a chord with mortgage/refinancing companies, hotels, casinos, and health and fitness businesses. — *Bruce Britt*



Sense Appeal

Direct mail pieces that attract a physical response

Innovation Direct marketing is changing. Can you sense it? What has traditionally been visually driven through the use of fonts, colors and photos is now appealing to the nose, ears and hands, too.

Take a whiff. People can recall smells with 65 percent accuracy after a year, but recall of photos declines to about 50 percent after just three months, according to the Sense of Smell Institute. That’s why Specialty Print Communications created a piece on outdoor cooking items for one client that included a rub-and-sniff area that smelled of barbecue.

Listen for it. Structural Graphics developed the “Polygon with Sound,” a rubber band-activated piece that mails flat and pops into an octagon shape when the recipient pulls it out of the envelope. When the octagon pops up, it triggers a sound mechanism that can play anything from music to dogs barking.

Feel the difference. KODAK NEXPRESS Intelligent Dimensional Coating Solution and KODAK NEXPRESS Dimensional Clear Dry Ink combine to create an embossed feel to a mail piece. One of their sample pieces includes a photo of orange slices textured to feel like the fruit — although we don’t recommend taking a taste. There are some limitations ... at least for now. — *Linda Formichelli*

TWO FOR ONE | REUSABLE ENVELOPES

Green Design Everyone is interested in saving green by going green, and two-way envelopes let mailers do both. Gary Emmott, president of MailAgain (Mail-Again.com) estimates that his company’s new line of reusable envelopes saves mailers 15 to 20 percent over the cost of using two envelopes. Its patented FaceOFF envelope products — introduced at May’s National Postal Forum — feature a one-step opening design that provides access to the contents while exposing the inside panel of the envelope, creating additional messaging and marketing space. The design can be used as a one-way market mail envelope or as a reusable envelope that converts into the reply envelope. And, of course, the environmental benefits are dramatic since the product completely eliminates the paper of the second envelope. — *Linda Formichelli*



Count Your Pennies

Low-cost marketing alternatives give you a false sense of ROI.

Boy, there's nothing like a recession to get marketers interested in numbers. Faced with pitching the chief financial officer for more marketing funds, or finding more efficient ways to spend the paltry millions they already have, marketers are coming up with interesting ways to make do. One way is to shift spending to lower-cost alternatives (read: digital) where, the logic goes, you're spending less so any return you get is more. Makes sense, right?

Well, maybe not. Truth is, the best marketing does more than produce good ROI; it maximizes your investment. Think of it this way: It's great to get a one-time sale from a customer, but much more financially rewarding to get a customer for life who will add value to the bottom line over a longer period of time.

Switching to a lower-cost alternative can bring down the expense side of that ROI number, so it sometimes seems more valuable. But factor in engagement, relevance and pass-along, and you may not be maximizing your return.

But don't take our word for it. An advertising publication we know of recently ran an article on measuring social media sites' ROI. It led to this comment from Gregg Ambach of Analytic Partners (who knows a bit more about analytics



Think of it this way: It's great to get a one-time sale from a customer, but much more financially rewarding to get a customer for life who will add value to the bottom line over a longer period of time."

than we do): "(Digital) is incredibly efficient, because the cost per thousand is low. But it's just not moving a lot of volume yet."

And there's the catch for marketers looking to stretch their marketing dollars. Sometimes, you get what

you pay for. Yes, it costs more to send direct mail, but the return it generates (\$15.60 per \$1 spent) and the engagement it creates with your customers can maximize your investment in a way that's unique from other channels.

Oh, and for the 20 percent of senior marketers who recently reported on a CMO Council survey that they don't track their ROI on marketing at all (at all!) — what are you thinking? You can't market if you can't measure. (Note to the board: Fire these folks immediately!)

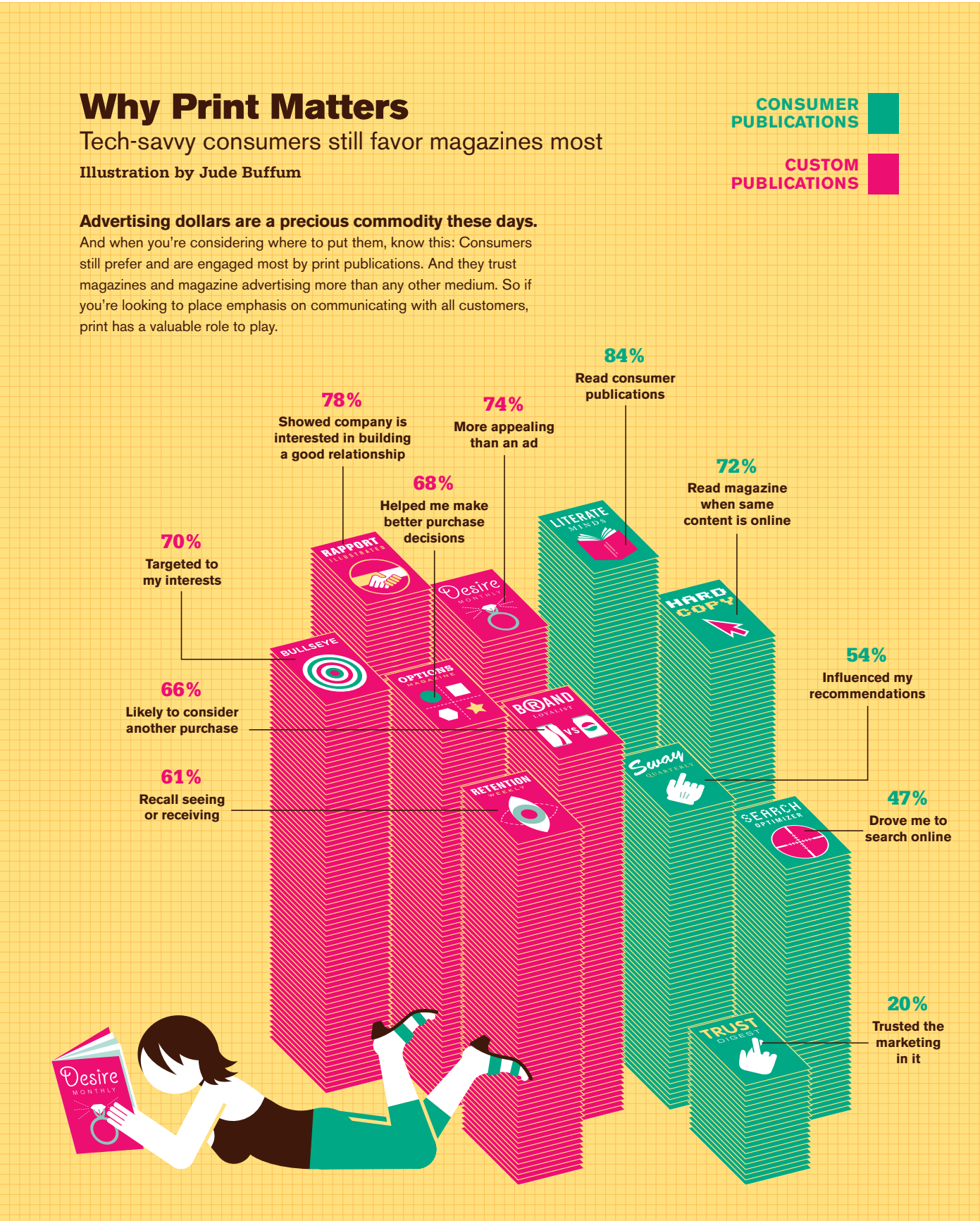
Why Print Matters

Tech-savvy consumers still favor magazines most

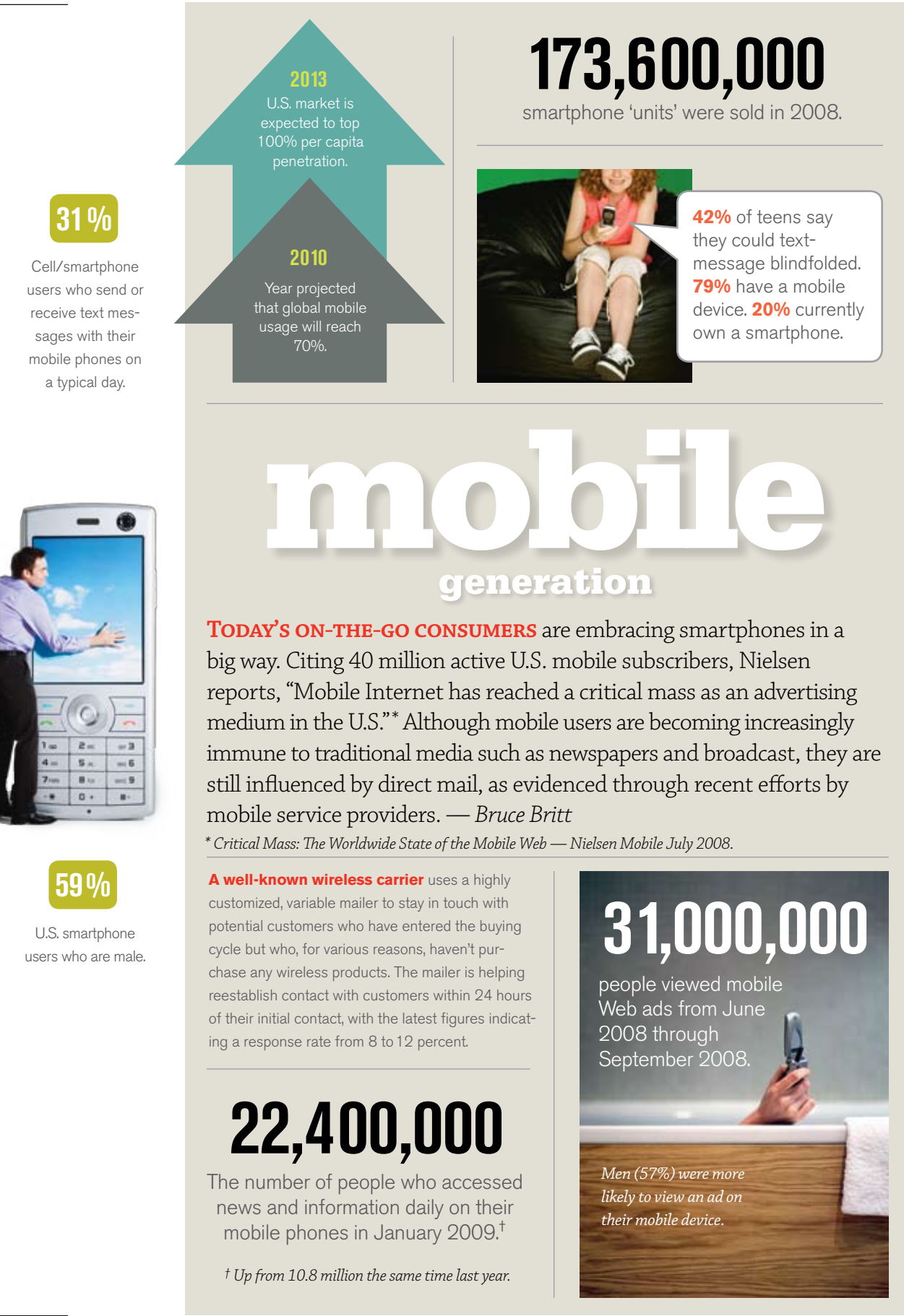
Illustration by Jude Buffum

Advertising dollars are a precious commodity these days.

And when you're considering where to put them, know this: Consumers still prefer and are engaged most by print publications. And they trust magazines and magazine advertising more than any other medium. So if you're looking to place emphasis on communicating with all customers, print has a valuable role to play.



GETTY IMAGES



TOM FOTI
Printing Pressed

Value the direct mail printer as a marketing consultant, not just a print provider.

It's likely you're trying to produce more with less budget these days. So it's tempting to think about cutting expenses by simply going with the lowest-cost print provider. But, in this competitive market, that could be a mistake.

Sure, you might save a few bucks in print fees, but what you could lose is far more valuable. Today's printers do much more than simply put ink to paper. They are marketing consultants who use their knowledge and experience in creating and mailing printed materials to help their clients get the most out of their campaigns.

Printers are on top of the latest mail printing trends and efficiencies, which uniquely qualifies them to point out costly mistakes. They also can manage or influence many campaign elements outside the printing realm to help you reach optimum ROI.

Phoenix-based printer Cereus Graphics, for example, evaluates a marketer's objectives and target audience, then suggests small tweaks to the print piece — such as size, colors, paper and postage — that can deliver the same impact at a lower cost.

Many printers also can integrate mail into other media channels. Prisma Graphic Corp., also in Phoenix, goes so far as to provide Web analytics to its marketing clients so they can track the success rates of print pieces that push customers online. By examining the data Prisma provides — such as visits, length of stay and purchase behavior — marketers can better evaluate the mailer's effectiveness.

Printers are also at the forefront of new technologies that let your direct mail pieces target customers like never before. If you're using variable data printing, for example, your printer can provide insights on which

aspects of the piece should be personalized, as well as guidance on how to make your message relevant to your target.

They also sit on a gold mine of information about postal capabilities and service standards. Printers understand mail piece design characteristics, preparation requirements and economics so well they can often help you cut prices simply by combining projects, whether it's through co-mailing, co-palletization or merging your mail with their other customers' products.

Your production staff needs to communicate your project goals and time frame to your print company at the concept and design stage, as it may be able to bring added expertise to the table — literally. Clifton, N.J., graphic communications company Sandy Alexander Inc. often invites its local USPS® representative to sit in on client meetings to help design the most compliant and cost-efficient mailers possible.

For maximum ROI, make sure your production folks choose printers that can achieve your strategic objectives by either improving the effectiveness of the mail piece or reducing the cost of creating and mailing it. The good ones will know enough about our business and your business to ask the right questions and make sure you ultimately get what you're paying for.

Tom Foti is manager for marketing mail at the United States Postal Service.®



CLOCKWISE FROM TOP: MASTERFILE, JUPITER IMAGES, GETTY IMAGES

PORTRAIT BY GLUEKIT; ILLUSTRATION BY GORDON WIEBE

SID LIEBENSON



Courting a Wary Customer

Three ways to build and maintain loyal relationships when customers are running scared.



message on a catalog overwrap saying, “In the spring, you bought this lightweight cotton sweater from us. Now that it’s fall, here’s what people who bought that sweater are buying now.” This shows you care about what they are thinking, and there’s some logic to what you’re recommending — you’re not selling them something just to sell it.

Your marketing messages need to be not only personalized, but frequent. In a tough economy, it’s common for consumers to question where every penny is going. When they do that, suddenly every relationship is a little at risk. Their question becomes “Am I really getting value from this relationship, or is there something that will satisfy my needs equally for less money?”

2. Don’t make cuts. Now is not the time to scale back on marketing spending. If you don’t stay in touch with your best customers — while they’re continuously exposed to messages from your competitors — the idea of buying your brand gets further from their mind. This is especially true when consumers are already reconsidering their brand loyalty.

Lately, we’ve found it’s easier to get a larger — and louder — share of voice for our clients: In several categories, competitors aren’t marketing as much or they’re reducing campaign frequency. With these cutbacks, some marketing media

have become cheaper. If you’re not afraid to spend some money on acquisition, chances are your media costs can be a little more efficient.

3. Show them you care.

Empathize with customers to demonstrate you understand what they’re going through during the recession. Health care, for example, is a big concern for consumers right now. It’s why Draftfcb created a new campaign, “The Power of the Human Voice,” for our Blue Cross and Blue Shield of Florida (BCBSF) client that lets people directly voice their ideas and concerns about health care.

Using their computer microphone or a guided phone messaging system, visitors to the dedicated campaign site (thepowerofthehumanvoice.com) can record their message and listen to what others have to say. BCBSF responds to the messages with insights and explanations from experts across the organization. From April 2008 to August 2008, there were more than 83,000 visits and 2,357 messages left on the site. This clearly shows the effects of empathizing with consumers.

You should always practice good marketing — personalization, appropriate messages, frequent touches — but focus on these things even more to keep your customers with you through the economic crisis. When times are better, you’ll have your core group of customers — and then some.

Sid Liebenson is executive vice president and director of marketing at the marketing global integrated advertising agency Draftfcb.

the Deliver[®] Brag Room

delivermagazine.com

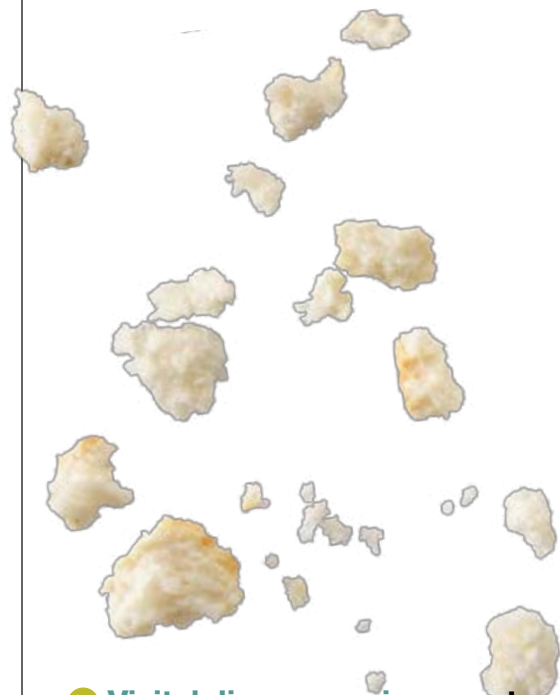
Check out the *Deliver* Brag Room — our online, user-generated showcase — for some of the best direct mail pieces sent out in the past year. Submissions also may be featured in “Best of the Brag Room,” slated for August.

For “Best of the Brag Room” official rules, go to delivermagazine.com/how-to-submit.

About to break your arm patting yourself on the back for that great mail marketing campaign? Let us help! (Pat your back, that is.)

PORTRAIT BY GLENNY; ILLUSTRATION BY GORDON WIERE

CORBIS



Fresh, but Not Flaky

Countybank reaches out to small businesses with an integrated campaign that combines creativity with economy.

By Nataline Engler

Most small-business banking promotions tend to have a similar theme — photos of smiling, happy people with a listing of reasons to open a commercial checking account. Not Countybank's. The South Carolina-based bank served up a fresh approach with a recent campaign that featured a biscuit-shaped direct mail piece. The mailer targeted local small businesses, enticing recipients with a free, made-to-order biscuit breakfast or lunch for up to 13 people in exchange for meeting with a bank representative.

Countybank launched its effort in July 2008 with billboards displaying only the question "How do you like yours?" One week later, a microsite address, howdoyoulikeyours.com, was added. The following week revealed the bank's name, its logo and the product name, The BizKit, with the tagline "Business banking the way you like." This primed recipients for the die-cut, eight-inch mailers the company sent out concurrently promoting The BizKit's menu of offerings.

But aside from the clever wordplay, what do biscuits have to do with small-business banking? A lot, says Countybank marketing director Bill Jenkins, adding that both are highly customizable. "You can have a chicken biscuit, a bacon-egg-and-cheese biscuit, a sausage-egg-and-cheese biscuit — it's a versatile food item," he says. And Countybank is a versatile bank.

Jenkins and his marketing team came up with the idea for the campaign while brainstorming ways to generate sales calls for the bank's relationship managers. They decided to bundle the bank's menu of small business products and services and name it The BizKit.

Biscuits, the Southern equivalent of a New York bagel, are made to order, Jenkins explains. In the same way, The BizKit can be customized to include cash management, process improvement, employee benefits management, risk management or any mix-and-match combination a customer desires.

"People have described us as the little bank that thinks like a big bank," he continues. "But a lot of people haven't been exposed to that message. This campaign let us tell our story in a non-threatening way."

The campaign successfully met its goal of creating face time for commercial banking representatives: It generated 80 sales calls and a several-month backlog of scheduled meetings. It also resulted in 22 new customers (and three returning customers), revived six dormant accounts, and generated 35 new deposit accounts with \$1.36 million in balances and 10 new loan accounts for \$516,000.

Even better, it led to more than 70 so-called "other" accounts (insurance, investments, trust, mortgage and investment advisory services) for \$225,000 in new premium dollars. "This is especially important for Countybank because these non-bank lines of business account for almost half its income," Jenkins says. The campaign was even picked up by a major national newspaper.

With just \$252 million in assets — and about \$189 million in deposits and \$185 million in loans — Countybank is a small business itself. This explains why it understands the needs of this niche. In appealing to small businesses it did three things right: met them where they live, made their lives easier and provided personal outreach.

The creative director and writer of the direct response outdoor and microsite is Jan Zlotnick, a strategic-creative marketing consultant in New York (janzlotnick.com). "People didn't want to hear from banks, but I liked the counterintuitive idea of us hearing from the people," Zlotnick says. "Unlike many banks who risked their depositors' money, County-

bank has always done right by being a simple, common-sense bank. So, to me, the approach had to be just as simple ... the opposite of the big bank that could never 'get' the brand value of a simple face-to-face over coffee and a biscuit, just the way you like."

And Countybank resisted the urge to crow about it, too. Instead, it kept its marketing message light and upbeat, saying, in effect: We're the good guys. Let us bring you breakfast and show you why.

While the campaign was creative, it was also inexpensive, costing just \$20,000, or \$30.68 per account. This shows that while Countybank has a sense of humor, it also is a conservative steward of money.

So how can others bake up the Countybank recipe? "Have fun, be authentic and create face time for your representatives," Jenkins says. "The rest takes care of itself."

"People have described us as the little bank that thinks like a big bank. But a lot of people haven't been exposed to that message. This campaign let us tell our story in a non-threatening way."

— Bill Jenkins, marketing director, Countybank

CRUMBS: FLYING FISH STUDIOS

The BizKit by Countybank

- ▶ Customizable for your company's needs.
- ▶ No time? No worries. We deliver!
- ▶ Just call 942-1541 today!

Your business finances don't have to be complicated, time-consuming or expensive.

If your bank hasn't shown you how to:

- ▶ Run your business more efficiently
 - ▶ Effectively manage risk
 - ▶ Plan for the future, including a business succession plan
 - ▶ Attract & retain the best employees with cost-effective benefits
- then it's time for a BizKit — customized just for you. Simply pick up the phone today. We'll bring breakfast, too! *

If your package of banking products & services wasn't custom made for you, how is it meeting your business needs?

For some businesses, the basics will do — a simple free business checking account or interest business checking may be all you need. Of course, online banking and bill payment are free, and competitive money market sweep accounts are also available.

Cash flow is the ham & eggs of business. If maximizing cash flow is your chief concern, we have several solutions designed to speed up your receivables, make sure your cash is working hard for you, and structure those solutions to minimize fees.

Ladle on the gravy! It is time to look at process improvements to make your business run more efficiently? Remote Deposit Capture, Access CB (our online cash management suite), payment processing services, online ACH & wire services, merchant credit card processing and searchable CD-ROM statements make it easier & less time consuming to manage your finances.

What's for dessert? In addition to traditional bank services, our expert team provides:

- ▶ Help growing your business with financing from a local bank with a 75-year history
- ▶ Risk management to ensure appropriate insurance coverages & cost containment
- ▶ Retirement and health insurance options for you and your employees
- ▶ Wealth management services including business succession planning

*OK, we hope you've enjoyed our visual pun. Let us bring breakfast for you and a dozen of your employees. We'd like to use that time to learn about your business and its unique challenges. We'll look at your whole business — not just bank accounts, but cash management, risk management, employee benefits — to see where you can improve your bottom line. That's what makes us different. Oh, and the government counts that we tell you — we're members of the FDIC.

COUNTYBANK'S BIZKIT

TAGLINE: "Business banking the way you like."

OBJECTIVE: Create face time with local small businesses.

MEDIA: Direct mail, billboard, microsite

COST: \$20,000, or \$30.68 per account

RESULT: Generated 80 sales calls, 22 new customers, 35 new deposit accounts with \$1.36 million in balances and 10 new loan accounts for \$516,000.

▶ Visit delivermagazine.com to see Countybank's Bill Jenkins explain how using dimensional mail, follow-up letters and other pieces keeps his customers engaged — and calm — during economic uncertainty.

GET OUT ALIVE

Fighting to find your way in today's marketplace? You're not alone. Though the economic situation is bleak at the moment, most agree it isn't here to stay. Read on for some sound advice on how to flourish in down times, including lessons learned from marketers who have been there before.

PHOTOGRAPHS BY JIM WRIGHT

Adapt to Survive

If you don't alter the way you do business, you risk not being around long enough to have to worry about it. **BY GWEN MORAN**

Battle for Your Mind. “Without as much advertising out there, the noise level has dropped off, giving you more maneuvering room because not everybody is yelling at the same time.”

But if cutbacks are inevitable, make sure they're not across the board, says Russell Winer, marketing department chair at the Stern School of Business at New York University. “Keep an eye on what your competitors are spending and make sure your voice share stays the same,” he adds.

The best approach for scaling back is to examine each line of spending, looking for patterns and cutting non-essential outlays that don't produce results. Preserve resources for the functions and activities that directly support sales and can be measured for their effectiveness in bringing in new customers, such as coded offers, online activities and other forms of direct marketing.

And while there are no silver bullets to get customers to flock to your business, here's a look at tactics that work for most companies:

Don't cut price – add value. Success begins with a solid value message, but that doesn't mean cutting your prices. “Price reductions cause serious problems when times get better,” Trout says. “You're saying your value story is price. That's a hard story because your competitors can mark down stuff as fast as you. It's the road to wrack and ruin.” Instead, he says, work on building brand loyalty by communicating more and showing customers you understand the pain of the recession.

That's what your prospects' minds are focusing on right now, adds Jay Conrad Levinson of the “Guerrilla Marketing” franchise. “Explaining what your business is doing to help customers weather difficult economic times — providing high-quality products or services that last longer or somehow save them time or money, for example — can create a stronger bond during the recession,” he says.

Guarantees and messages that emphasize why buying your brand is insurance against making money-wasting bad decisions are particularly effective. “If people feel you don't know what's going on with them, or how tough they have it, they're not going to be inclined to buy much from you,” Levinson says.

Beef up your return per customer. Keeping an existing customer is one-sixth the cost of landing a new one, says Levinson, who advocates expanding the return on your current customer base. Two key ways to do this are to enlarge transaction size and sell more frequently to your customer base. For the former, look for ways that give customers an incentive to buy more without simply cutting prices across the board, like gift-with-purchase offers or loyalty-based benefits programs.

Hyatt Hotels & Resorts has used the economic downturn as an opportunity to rethink its 9 million-member frequent-guest program, Hyatt Gold

Passport. “So much of what goes on in loyalty marketing is about customer loyalty to a company,” says Jeff Zidell, vice president for the Hyatt Gold Passport program. “We turned that upside down and thought about our loyalty to the customer.”

The revamped program provides new benefits for all members, but particularly those at the top two levels. Hyatt announced the enhancements in April and May during its six-week “The Big Welcome” promotion, during which 30,000 Hyatt Gold Passport members worldwide could win a free one-night stay at a Hyatt property by entering a sweepstakes at a special Web site. Winners were chosen randomly each Monday during the promotion. The free-night credit was immediately applied to their Hyatt Gold Passport accounts.

The promotion included ads in major newspapers worldwide, postcards at hotel front desks and announcements sent to Hyatt Gold Passport members with their regular statements. Hyatt also placed several short videos online, urging viewers to visit “The Big Welcome” site to enter the sweepstakes.

It's too early to provide hard ROI figures, but Zidell says Hyatt saw a jump in paid bookings during the campaign. “Several hundred free nights have been used by winners, with several hundred additional paid nights booked by those same customers,” he adds. Meanwhile, Hyatt is already planning its next set of Hyatt Gold Passport enhancements.

Integrate your efforts. Approach outreach in a more holistic way, using more than just one vehicle. Liz Miller, vice president of programs and operations at the CMO Council, sees a trend toward direct mail with personalized URLs for customized offers and

IF PEOPLE FEEL YOU DON'T KNOW WHAT'S GOING ON WITH THEM, OR HOW TOUGH THEY HAVE IT, THEY'RE NOT GOING TO BE INCLINED TO BUY MUCH FROM YOU.”

— Jay Conrad Levinson, “Guerrilla Marketing” franchise

information. “There is a distinct move to use direct mail to drive deeper engagement online,” she says.


Savings Bank Life Insurance of Massachusetts (SBLI), which has policyholders in 40 states, relies heavily on an integrated marketing approach. “Direct mail drives a lot of our new leads,” says Rose Cahill, vice president and director of marketing for the Woburn, Mass.-based company. “But it's a combined approach that makes our efforts more effective.”

SBLI currently mails 500,000 to 1 million letters almost every month. In reaction to the recession, SBLI has stepped up mailings to “responders” — prospects who have responded to past offers but who haven't yet made a purchase. The correspondence typically invites recipients to inquire about life insurance through mail-in coupons, a toll-free number or a dedicated landing page. Visitors can obtain a rate quote, enter their phone numbers for an agent callback or research insurance at SBLI's online Learning Center.

The center includes an interactive “insurance needs calculator” and Webcasts featuring free financial advice. “People are looking for value,” says Cahill, who estimates that about half the mail-generated leads respond through the Web site. “They're shopping around more, and it's taking them longer to make decisions. So the more content and education you can provide, the better.”

SBLI also is reaching out to existing policyholders more frequently. The company recently sent letters to 30,000 customers, encouraging them to upgrade their coverage. It's changed the tone of its correspondence, too. “Our messaging has gotten more serious and a lot less promotional,” Cahill says.

The most successful outreach effort? A letter to all SBLI customers from the company's CFO talking about the importance of insuring your family and the financial strength and security of the company. The message was meant to reassure customers skittish about their expenditures and investments.

Whatever your approach, the one thing to remember is that times will get better. Use this time to stay true to your image, build market share and position your brand to be stronger in the turnaround. “Marketers can make enormous contributions to their companies right now,” Trout says. “But they have to have the courage to look at what needs to be done and stand up and do it.” 

KEEP AN EYE ON WHAT YOUR COMPETITORS ARE SPENDING AND MAKE SURE YOUR VOICE SHARE STAYS THE SAME.”

— Russell Winer, Stern School of Business at NYU

NO ONE NEEDS TO TELL

you that the economy is struggling. As a marketer, you're more keenly aware of the challenges in today's marketplace than anyone. But while most of your peers are responding to this economic downturn by slashing budgets (and praying for the storm to pass), some are taking a slightly different approach, asserting that every situation — no matter how seemingly dire — holds opportunity.

Jack Trout, founder of Trout & Partners in Old Greenwich, Conn., couldn't agree more. “Marketers who pull out now are missing a tremendous opportunity,” says Trout, also the co-author of numerous seminal books on marketing, including *Positioning: The*

JUPITER IMAGES

A recent joint survey by the United States Postal Service® and Advertising Age magazine of 1,185 subscribers from agencies, advertisers and media companies finds two out of three respondents have smaller budgets this year.



Image Check

Creating your own personal brand could be the key to your existence in today's marketplace. **BY CHARLOTTE HUFF**



MANY MARKETERS

focus so much on their clients' interests that they short-change a potentially top-shelf brand — their own.

While you don't need to launch a company or hire a public relations specialist to elevate your own personal brand, you do have to understand what makes you and your work unique — even if it requires some soul searching.

"In this economy, it's crucial for people to figure out who they are and what their brand is," says Rachel Weingarten, author of *Career and Corporate Cool* and founder of marketing company Octagon Strategy Group.

Personal branding — the process whereby people and their careers are marked as brands — seemingly comes in as many flavors as ice cream, but three recurring themes and stratagems have emerged:

Expand your expertise: Increase the value of your personal brand by finding every opportunity within your current position to expand your skill set and knowledge base. You know the basics regarding search engine optimization and search engine marketing, along with analytics and the rapidly proliferating social media venues. But you should always be boosting and honing your expertise, particularly in regard to offline-online synergy.

"The marketing future will belong to people who understand how to cross-pollinate direct mail with the Web and other forms of marketing vehicles, and then make it all work together," says Gary Hennerberg, president of Hennerberg Group Inc., which specializes in analytics consulting and copywriting.

Boost your visibility: Broaden your expertise and you'll also organically increase your visibility, says Liz Lynch, author of *Smart Networking: Attract a Following in Person and Online* and founder of the Center for Networking Excellence. To complement that process, launch a blog to comment on marketing trends. Worried your employer won't embrace this new side of you? Check first if your company has a policy on personal blogs, and then sell in the idea. But as long as you focus on building thought leadership and sharing information rather than bragging — or, worst of all, trafficking in information that might reflect negatively on your employer — you should be relatively safe. For example, you could blog about a recent survey on variable data printing and then describe a few successful campaigns, Lynch says.

Most branding strategies shouldn't hurt you at the office, agrees Scott Couvillon, president of Ducky, a New Orleans-based direct response marketing firm. "A lot of companies are certainly appreciative of people who have a following because it elevates the stock of what they are doing," he says.

Protect your brand: Building the relevant expertise will require an investment, including reading books and blogs during your "off" time. As you start acquiring a branded expertise, be sure to protect it, says Dan Schawbel, author of *Me 2.0: Build a Personal Brand to Achieve Career Success*. Online reputation management is crucial, he says. Has someone praised one of your articles? Reach out and make a networking connection. Conversely, use online search tools to intercept damaging rumors or misconceptions. "You can stop these fires before they spread," Schawbel says.

Schawbel's own story illustrates that it's feasible to build a personal profile, even while working for someone else. In his off hours, Schawbel developed his own personal brand, which started with a blog, followed later by his launch of *Personal Branding*, a paid subscription online magazine.

Not long after, an executive approached Schawbel about a job the company was creating: social media specialist. Seems they'd become aware of, and impressed with, his entrepreneurial branding activities. "They brought me right in — I got the position without applying," he says. **A**



Send the Right Message

Treating your résumé as your own personal advertisement

DON'T Use a bland objective statement at the top detailing the type of position you seek. For example: "To obtain a position in direct mail marketing through which I can use my skills in media operations to improve a company's client base and bottom line." Yawn.

DO Talk about what you will bring. Write a targeted profile summary, describing what skills and value you would provide a future employer.

DON'T Use vague and vanilla-style descriptors, such as "team player" or "people person."

DO Be specific, emphasizing results. Use language like "Consistently recognized as a top performer, as evidenced by the ability to leverage team resources to deliver 100 percent of projects on time and on budget."

DON'T Give your accomplishments short shrift by cramming them onto one page (but do keep the document to a maximum of two pages). And don't omit key dates, such as your college graduation year. If you leave them out, the potential employer wonders what's missing.

DO Toot your own horn — when there's something worth tooting about. If you led the team that increased ROI by 20 percent, then say so. It's not bragging, if it's true and supported by information.

How They Did It

Direct Marketing Association
Hall of Fame members who've been
through market turmoil – and
survived to tell about it.

BY GWEN MORAN



Charles D. Morgan
(inducted 2007)
Former CEO, Acxiom Corp.



Martin Edelston
(inducted 2005)
Chairman, Boardroom Inc. and
Bottom Line Publications



Thomas J. "Tim" Litle
(inducted 2005)
Chairman, Litle & Co.

Q: What lessons from previous downturns do marketers need to remember now?

Charles D. Morgan: They should consider whether they're going to look at a downturn as an opportunity or a tragedy. At Acxiom, we had huge spurts in the 1970s recession and after the Gulf War in 1991 because we were looking for opportunities to grow our business as the world changed around us. For example, in the early '90s, we very rapidly built up at a time when our competitors were pulling back.

Martin Edelston: If you can't afford to do things on a large scale, do them incrementally. In the process of putting together a mail campaign, I saw that the list for a major business publication was a good one for our purposes, but I never could afford to take a big hunk of it. So, instead, I mailed every week to 25,000 names, and we worked our way through the list.

Thomas J. "Tim" Litle: You've got to find new ways to reach customers, through multiple channels, and keep on top of new media. Direct mail is going to be one of the marketing techniques that will survive, but it's just part of the marketing arsenal, and has to be used with other tools. For example, if a traditional retailer doesn't buy into an Internet presence or some sort of a catalog presence, I don't know how they will survive.

Q. Why is direct mail an effective tool during difficult economic times?

CDM: Typically, there's a lot less competition in the mail, and that's even truer now that people are cutting their spending. So, if you are in the mail and all your competitors aren't, then you're going to get a lot more readership, and a lot more of your stuff is going to be opened and acted on. And, clearly, mail is still effective; otherwise, people wouldn't use it at all.

ME: With mail, you have a really good idea of whom your pieces are going to, as well as who has bought from you in the past. If you're testing your lists, your copy and your mailers, you can manage these programs very precisely and only mail to the best parts of the list where you know you can make money.

TJL: With direct marketing, you can be much more flexible in your campaigns and adjust the size and cost, including being more precise about whom you're mailing to, and still know that some lists are going to return at a certain rate. Even if demand is off overall, these lists still work, and they allow you to adjust to the level of your resources very quickly.

Q. What is the one thing any marketer can do to make a program more effective?

CDM: Be realistic and aware of your available capital to get through the downturn. Don't make the mistake of getting too aggressive and spending so much money that you can't have a sustained effort. We've had a really long downturn now, and the people hurting the worst are the ones who've run out of resources to continue to try to explore the opportunities that are around.

ME: Know your business. We've set up exchanges with other mailers, where we send to each other's lists to get new names. That's the name of the game — always adding new names. I do anything I can to avoid being stagnant, test to see what's working and extend our reach. Preparing ahead is helping me get through this downturn — and be ready for the next one.

TJL: Integrate all kinds of marketing techniques. Direct mail will survive in that mix, but you have to learn how to make multi-channel marketing work by trying different vehicles and combinations. If you stick to just one medium and don't use other channels that are appropriate for your business, it's going to be hard to survive.

Create Order from Chaos

Author and marketing expert **Philip Kotler** offers advice for anticipating change, avoiding mistakes and staying close to customers. **BY ANNE STUART**



Q: IN YOUR NEW BOOK, *Chaotics: The Business of Managing and Marketing in The Age of Turbulence*, you say that the signs of turbulence are everywhere. Is that disruption due to more than just the current economic downturn?

A: Even if we didn't have a recession, we would be experiencing an increased level of turbulence. The recession just intensified those levels. Two forces are driving the changes: globalization and technological

advancement. With globalization, companies are being encouraged to buy wherever in the world they get the lowest cost and sell wherever they get the highest price. Disturbances in one part of the world affect activities in other parts of the world.

With technological advances, there's a greater chance of bad news spreading faster. People can tap into social networks and talk about products and services. Bloggers are commenting about businesses, products and brands as well as about personal matters. There are also new distribution channels, new laws and all kinds of new competitors. It's a world of new opportunities and a world of new pitfalls — and it's all moving very fast.

Q: How can marketers respond to those forces and adapt to that pace?

A: They need to systematically monitor the key forces that can affect their business. They must go beyond normal business intelligence and develop and manage an early warning system. Monitor the forces that might affect your company positively or negatively: technological change, social change, legal change, economic change.

But you also need to move from contingency planning to scenario planning. Imagine a scenario picturing the worst things that could happen. Imagine a scenario picturing the best things that could happen. How would you respond to each scenario? Make your plans more flexible. The important thing is to be able to respond quickly to any major disturbance or disruption occurring in the marketplace.

Q: How is turbulence affecting consumer behavior right now?

A: In *Chaotics*, we describe that customers are responding to the current recession in three ways. First, they are shifting to lower-priced offerings. Consumers are showing less loyalty to national and premium brands in favor of store or private brands. Second, they are postponing or eliminating discretionary purchases, especially of big-ticket items. They're not buying a new automobile or a fancy new washing machine if the old one still works. Third, they're cutting back on driving and eating out, and spending more time at home. During periods of upheaval, customers retreat to what feels secure — so it's important for sellers to help customers feel more comfortable about their buying decisions.



Thrive in Turbulence

Eight ways to flourish despite widespread uncertainty and upheaval

1. Secure your market share from core customer segments. This is no time to get too greedy. Your first priority is to get your core customer segments firmly secured. Be prepared to ward off attacks from competitors attempting to take away your most loyal and profitable customers.

2. Push aggressively for greater market share. All companies fight for market share and, in chaotic times, many have been weakened. Slashing marketing budgets and sales travel budgets are sure signs that a competitor is buckling under pressure. Add to your core customer segments at the expense of your weakened competitors.

3. Research customers now more than ever. Everyone is under pressure during times of turbulence and chaos, which means all customers are changing their habits — even those in your core segments whom you know so well. Stay close to them. You don't want to find yourself relying on old marketing messages that no longer resonate.

4. Seek to increase — or at least maintain — your marketing budget. This is the worst time to think about cutting anything in your marketing budget that targets your core customer segments. In fact, you need to add to this budget, or take money away from those forays you were planning to go after totally new customer segments. It's time to secure the home front.

5. Focus on all that's safe. When turbulence is scaring everyone in the market, there is a massive flight to safety by most consumers. They need to feel the safety and security of your company and its products and services. Do everything possible to communicate that continuing to do business with you is safe. Spend whatever it takes to do it.

6. Quickly drop programs that aren't working. If you're not watching your spending, rest assured that someone else is — including your peers whose budgets couldn't be protected from the ax. Cut out ineffective programs before someone else calls attention to them.

7. Don't discount your best brands. When you do this, you instantly tell the market two things: Your prices were too high before, and your brands won't be worth the price in the future once the discount is gone. Instead, consider creating a new, distinct product or service offering under a new brand with lower prices. This gives value-conscious customers the ability to stay close to you while not alienating those still willing to pay for your higher-priced brands. Once the turbulence subsides, you may consider discontinuing your newly introduced branded value product line — or not.

8. Save the strong; lose the weak. In a turbulent economy, you need to make your strongest brands and products even stronger. There's no time or money to be wasted on marginal brands or overly fragile products that aren't supported by strong value propositions and a solid customer base.

Excerpted from Chaotics: The Business of Managing and Marketing in the Age of Turbulence, by Philip Kotler and John A. Caslione (AMACOM, May 2009). Reprinted with permission. For more, visit chaoticstrategies.com.

“YOU CAN DECIDE ‘I’M ONLY GOING TO SEND THIS OFFER TO CUSTOMERS WHO HAVE A 50-PERCENT OR HIGHER PROBABILITY OF RESPONDING.’ YOU’LL HAVE A MUCH HIGHER RESPONSE RATE ... BECAUSE YOU’VE IDENTIFIED THE INDIVIDUALS WHO ARE MOST LIKELY TO BUY — AND YOUR OVERALL MAILING COST IS GREATLY REDUCED.” — Philip Kotler

Q: So how should marketers respond to those behaviors and to customers' need for security?

A: Let's use cars as the example. If the customer says, "I'd like to buy the car, but I'm going to wait just in case the prices go down even more," you might respond with something like "If the price goes lower within this period of time, we'll give you a refund — cash back — for the difference." The other thing people say is "I'd like to buy the car, but I'm afraid I'll lose my job." Some car companies respond with the offer "If you lose your job, we'll reduce your payments or we'll take the car back."

Q: What do direct marketers in particular need to know about responding to turbulence?

A: I've always thought that direct mail was one of the best concepts for marketing because you can tailor your offering. Rather than send a big blast with the same offer to a million people, you can move into one-to-one marketing — if you have a robust customer database. If you have enough information about the individuals you're targeting — occupation, income, age and so on — you'll stop mailing offers to people where there's no chance of them buying.

Predictive analytics can help you estimate the purchase probability of an offer to a specific customer. Your software can go down a list of customers and assign a probability number to each. You can decide "I'm only going to send this offer to customers who have a 50-percent or higher probability of responding." This could reduce the size of a mailing from 5,000 people to maybe 500 people. You'll have a much higher response rate than the usual 1 to 2 percent we get from direct mail because you've identified the individuals who are most likely to buy — and your overall mailing cost is greatly reduced.

Q: How should marketers respond if turbulence causes sales of a particular product to drop?

A: You could just reduce the price of the product, but that only launches a price war that nobody wins. It also sends the message that your prices were too high in the first place. Instead, you might ask: "Is this product still the right one for our customers?" It may be that you should have a second, lower-priced product in the line. Or it may be that the best long-term defense would be offering three levels — good, better, best — so that

customers can shift to the price/quality offering that best fits their needs.

You could consider keeping the product's price where it is and adding other benefits that make your total offering better. Start adding value. You might offer free shipping or a longer warranty. You should also work more closely with the distributors and retailers. You're experiencing lower sales because they're experiencing lower sales. So your salespeople should work with them to see what they need. Or think about shifting the distribution strategy. Consider new channels for selling

your product; for example, moving into the dollar stores. A lot of people are shopping at those stores now, so you might want to make sure that your product gets into those outlets.

Q: What's the biggest mistake you see marketers making in this new environment?

A: The toughest challenge is what marketers should recommend for the advertising budget. Some marketers will say, "This is the time to increase the advertising budget to convince more people to buy." But the chief financial officer will say, "Advertising is very expensive

and there is little evidence that it is working, so we should cut the advertising budget." I think part of the answer lies in better marketing research. Is the advertising working? Would we gain more by lowering the price? Should we move some of the budget to improving our product or service? Marketers must not think only of short-run steps to protect the company but should consider the mid-term and long-term consequences of their recommendations.

Q: What kind of marketing research is most important right now?

A: Marketing researchers need to look deeply into the sales and profit numbers. If money needs to be saved, check what products are not performing, what market segments are going nowhere, what geographical areas are losing money, and which customers are unprofitable.

Also, undertake opportunity research. Learn what is happening to your customers, channel partners and competitors. What are the best moves that you can make to improve your market share and standing? **d**



THE NEW NORM: Kotler says constant market turbulence is requiring businesses to develop a new mindset.

Ride It Out

Organizations with well-established maps for success offer insights on marketing over the long haul. **BY SAMAR FARAH**



MANY COMPANIES

have been thrown off course by the recession. Possibly that's because they're forgetting that, no matter how bad things get, we've been through all of this before. Other companies have more of a longitudinal perspective and can fall back on institutional memory and a reassuring sense of how the company has managed through previous downturns.

Of course, there's no simple formula to brand longevity. But many marketers agree that the difference

between iconic brands that succumb to an economic downturn and those that survive is the ability to maintain a long-term outlook and strategy. What sets apart such long-lasting, iconic brands as AT&T, Ringling Bros. and Barnum & Bailey Circus and AAA is their conviction to stay the course, irrespective of marketplace turmoil. Among them, these companies have more than 250 years of longevity, which has meant surviving countless up-and-down business cycles, partly because they didn't cower in the corner waiting for the storm to pass.

In other words: Don't hit the panic button. A company that panics right now is likely to take desperate measures that can hurt the brand's identity. "A lot of companies are going overboard with frequent sales and advertising cuts," says Michal Ann Strahilevitz, associate professor of marketing at Golden Gate University. These steps might sound like a good idea in the short-term, she says, but drastic reductions in advertising expenditures can hurt brand awareness. Strahilevitz says that marketers want their brand to be top of mind within their category and warns that "if your target audience doesn't hear about you for awhile, they start to forget you and you may see this reflected in future sales." As for offering products and services at previously unthinkable discounts, Strahilevitz says, "This can obviously be great for a quick spike in sales. However, because many consumers see price as an indication of quality, offering frequent deep discounts could affect your brand image. Prices paid today also influence consumers' expectations about future prices, and that in turn means that today's deep discount may end up eroding your future profit margins."

To help you ensure that your company will be around for the long haul, we've amassed some sage advice from long-standing brands that have survived past downturns. Here, then, are their rules for making it through the storm.

Don't cut spending

Ironical as it may seem, a recession is the worst possible time to make wholesale cuts to your marketing spend. That's how Jeff Meyer feels. Meyer is a senior vice president at Feld Entertainment, an organization that includes the Ringling Bros. Circus. "Advertising continues to be of great importance for us," he says. "We can't cut back in today's economy." In many markets, he

says, “we’re holding flat, and in opportunistic markets we’re actually spending more.”

One of the most important parts of Meyer’s efforts is direct mail. “We’re using mail now for the simple reason that the return on investment is measurable,” he says. “We know what we’re gonna get when we send out direct mail.” When Feld recently handled “Disney’s High School Musical: The Ice Tour,” Meyer tested the waters with a mail piece to his core customers. “The response to that mailing dictated how much money we spent on our advertising mix for the remainder of that engagement.”

For Meyer, what sets mail apart in any economy is its tangible nature, its ability to bring the events that Feld promotes to life. Which makes it more likely that one of the recipients will want to hold onto the piece, even tack it up on the fridge or a bulletin board. “There’s nothing more that we’d like,” says Meyer, “than to have a piece of our direct mail with a poster foldout on a child’s wall from one year to the next, and then replace it with a new one when our next show comes to town next year.”

Differentiate yourself from the competition

During the recessions of the early ’90s, the early 2000s and today, AAA’s brand strategy has remained the same: to strengthen the brand’s identity as a member-driven organization that stands for trust and safety. Rather than slashing its marketing budget or competing for members with price cuts, the organization looks for ways to remind its target audience of the AAA brand value. “In any recession, we just continue to do what we do best,” says Darlene Entringer, director of membership and brand marketing at AAA’s national office in Heathrow, Fla.

Thus, recent marketing efforts — like new smartphone applications that list AAA member discounts and an information-based campaign called AAA Seniors — reaffirm trust and safety as core brand values. They also promote additional long-term AAA goals like differentiating the brand in the marketplace, enhancing its relevance to consumers and diversifying its use of media.

As robust as AAA is right now, Entringer doesn’t mind pointing out that “AAA is starting to experience more competition than we’ve had to face in 107 years.” Some of the benefits AAA offers members, such as emergency roadside service, are becoming commoditized. Given the current economic climate, another brand might decide to shelve the task of differentiating itself — which is likely to tax marketing budgets in the short term — and focus instead on maintaining the bottom line. But for Entringer, differentiation is a priority these days.

In early 2009, AAA unveiled a new mobile phone application called AAA Discounts. The software allows smartphone users to identify nearby locations, such as restaurants and hotels, that honor AAA discounts. There have been nearly 350,000 downloads, and AAA clubs have just begun promoting the new product. Entringer is excited about the response so far and equally happy that the new product satisfies key long-term AAA branding goals. There are plenty of companies that offer roadside service, but few organizations can deliver the combination of services and products that AAA is continually building, says Entringer. The brand is setting itself apart from the competition by offering members the unique package of products and services.

Know your customer — even better

Pursuing long-term goals doesn’t mean ignoring current trends. One of AAA’s long-term goals is to enhance its relevance to members, and on some level that means responding to what’s happening now. “You want to take the issue of the day — what’s going on nationally — and bring it down to the individual. How is it affecting them at home?” says Yolanda Cade, managing director, AAA Public Relations. Marketers tend to scrimp on consumer relationships during tight financial times, mistakenly assuming that they can intuit what consumers are thinking. In the long term, this can weaken a brand’s relationship with its customers.

That’s a mistake that AAA is determined to avoid. The brand had a strong tradition of conducting focus groups prior to developing a new campaign. But at the start of 2008, when AAA was at the front end of a new campaign called AAA Seniors — targeting aging drivers — it decided to beef up its research practices. At a time when many brands might take a more fiscally conservative approach, AAA invested in additional layers of research, such as national polling and media audits, in order to better pinpoint members’ concerns and priorities.

What emerged from AAA’s research was that individuals who look after an elderly mother or father or aunt or uncle want to know more about how to broach the subject when driving becomes unsafe, as well as alternative modes of transportation that are available for the elderly in their cities and towns. The result is a AAA microsite that features in-depth information about

DURING ALL THREE RECENT DOWNTURNS WE SWITCHED SPEND AND EMPHASIS TO DIRECT RESPONSE MEDIA.”

— Alexandra Morehouse, senior vice president of brand experience for AAA of Northern California

when it’s time to have a chat with an elderly parent or grandparent about driving and how to negotiate those delicate conversations. The site also offers information about local public transportation options that would help elderly drivers avoid navigating poor road conditions on their own.

After establishing a pilot site in Phoenix and Miami, AAA launches the site nationally this July, targeting both seniors and caregivers. Cade says regional AAA clubs will have the option of using the campaign creative in a number of ways, including as direct mail flyers to reach seniors.

Shift dollars to the most effective channels

Again, cutting your marketing spend across the board could be disastrous, but that doesn’t mean you can’t make changes. John Nordberg, AVP of creative services for B-to-B at AT&T, says that his company relies on rigorous testing to make sure that the media mix, and the particular offers, are performing optimally for the company. “During tough times, you don’t want to cut your marketing activities,” he says. “You just need to be a little bit smarter about them.”

For example, Nordberg recently oversaw a campaign to win back customers who had defected to other services. “We mailed them a piece within a certain number of days or weeks after they had left us,” he says. “And we put a special offer in front of them to entice them to come back.” Nordberg employed a range of offers and a varied array of mail pieces. “We’ve done several different iterations of the win-back pieces,” he says. “Everything from postcards to self mailers to #10 envelopes.”

Based on the results, Nordberg and his staff have shifted their efforts to the pieces and offers that performed best. “We’re trying to create this learning database so that we can go back and say, ‘OK, what worked best for an offer that looks like this?’” he says. “You can run a campaign like that in five to 10

weeks, so you can run several of those campaigns every year. After each campaign, you sit down and evaluate what worked best so you can make adjustments and be back in the market with another creative piece within just a few weeks.”

The folks at AAA also adjust their media tactics during a recession. AAA regional clubs have their own marketing budgets and are responsible for promoting campaigns at the local level. “In better economic times, our club spends a larger portion of their budget on ‘brand marketing,’ or soft marketing,” says Alexandra Morehouse, senior vice president of brand experience for AAA of Northern California. The goal of this kind of marketing is strictly to boost awareness, typically through mass media advertising that builds an emotional connection but doesn’t necessarily offer a quantifiable return on marketing.

But when there’s pressure to conserve budgets during a recession, AAA of Northern California shifts dollars away from soft marketing in television and radio channels to direct response marketing. “During all three recent downturns we switched spend and emphasis to direct response media,” says Morehouse.

In the recession of the early ’90s, this meant more marketing dollars went to channels like direct mail and direct response TV. The recessions that have followed — the downturn of 2001 and today — have seen a steady increase in Internet-based direct response marketing at the Northern California club. Still, despite this increase, Morehouse says that “our highest-performing and most consistent channel is still direct mail.”

Ultimately, what distinguishes companies like AT&T, AAA and Feld Entertainment from the brands that fall victim to desperate, recession-driven measures is a combination of forward-thinking strategy and a commitment to proven best practices. And that combination will make it a lot more likely that these brands will remain part of the economic landscape for a long time to come. **d**

PRICES PAID TODAY ALSO INFLUENCE CONSUMERS’ EXPECTATIONS ABOUT FUTURE PRICES, AND THAT IN TURN MEANS THAT TODAY’S DEEP DISCOUNT MAY END UP ERODING YOUR FUTURE PROFIT MARGINS.” — Michal Ann Strahilevitz, associate professor of marketing, Golden Gate University

▶ Visit delivermagazine.com for our “Rising Above the Recession” Web series on marketing in tough times, which includes more on how AT&T and Feld Entertainment have survived economic downturns.



MADD Skills

When it comes to grabbing the attention of potential donors, this nonprofit knows the power of using direct mail.

Interview by Lara Jensen | Photograph by Tadd Myers

The folks at Mothers Against Drunk Driving (MADD) have been fighting to eliminate drunk driving in the United States since the organization's inception almost 30 years ago. Although alcohol-related deaths have been on the decline — due in no small part to the efforts of MADD — the nonprofit organization continues to raise funds for, and awareness about, the scourge of alcohol-related deaths in the country.

The organization launched a national, ongoing effort in 2006 called the “Campaign to Eliminate Drunk Driving.” As part of this campaign, MADD is looking to new technologies, tougher enforcement and grassroots support to help it make the elimination of drunk driving a reality.

Nick Ellinger, MADD vice president of strategic outreach, explains how there's no better way than direct mail to relay the powerful stories of the victims of drunk driving, and how — from fund raising to advocacy — direct mail plays an increasingly important role in the organization's outreach efforts.

DELIVER: What's new with your communication efforts?

ELLINGER: We're enabling people to engage with us in every possible way, whether that's making a donation, volunteering or being an advocate. And we're planning to segment our donor base and create dedicated campaigns for certain groups, such as those we think have a propensity to give at a higher level. In addition, we're talking more to donors about MADD's missions outside of eliminating drunk driving, such as serving the needs of drunk driving victims and preventing underage drinking. To that end, we're putting out more urgent appeals that tie in to current events. So, for example, if MADD holds a press conference around an issue, we'll be trying to get an appeal in the mail soon after, referencing that same issue.

We're encouraging multichannel giving by using e-mail to support direct mail and sending out appeals that are more focused on drunk driving from a state perspective — as opposed to a national one — to make them more relevant to recipients. Our first attempt at this was a report showing the progress that each state was making on the campaign to eliminate drunk driving. The report rank-ordered states by their percentage of fatalities involving a drunk driver and included remedies for each state to help address the problem.

DELIVER: How does MADD use direct mail to reach out to its constituents?

ELLINGER: MADD grew into a national organization mostly through the use of telemarketing. But that's a very expensive way to raise money. So we started shifting the focus of our fundraising to other tactics, such as direct mail, in the 1990s. This year, we expect more than 20 percent of our net funding to come from individual donations made through mail.

While MADD uses mail primarily as a fundraising tool, this year we have launched an advocacy campaign to educate audiences about an important technology, called ignition interlock. This device requires previous offenders to breathe into a device that's fitted onto the ignition systems of their vehicles. If they don't pass the test, their cars won't start. The mailer includes a petition and an envelope that recipients can use to communicate with legislators about their thoughts on ignition interlock legislation.

DELIVER: Why add advocacy to the mix?

ELLINGER: In the past, we have shied away from explicitly encouraging people to vote a specific way on a bill, as this incurs lobbying costs. However, we realized that we could increase our lobbying efforts via direct

“This year, we expect more than 20 percent of our net funding to come from individual donations made through mail.”

CAUSE AND EFFECTS: Nick Ellinger, MADD vice president of strategic outreach, finds mail an effective type of in-depth storytelling that persuades people to act.

mail. By mailing to six large states simultaneously — instead of executing on a state-by-state basis — we also were able to lower our production and postage costs.

Plus, mail is an especially effective way to persuade people to act. In the ignition interlock piece, we tell the story of a mother who lost her son in a drunk driving crash to a repeat offender. That woman is now lobbying for ignition interlock bills in a number of states. That type of in-depth storytelling is something we can't do as well with other methods of communication. Direct mail is a significant portion of our education efforts about this technology — and one we think will have a significant impact.

DELIVER: What's the most recent piece of direct mail to which you responded?

ELLINGER: My grandmother received a piece from an Alzheimer's charitable organization asking her to solicit her family and others for support. She reached out to me. Since my grandfather has Alzheimer's, I happily gave. I think this effort was particularly effective because it came from someone I love, and it was about something that is particularly relevant to me. That kind of pass-along activity is a great way to make mail that much more effective.

DELIVER: Is there a piece of direct mail that you hold on to because it inspires you?

ELLINGER: I have a couple MADD campaigns displayed around my office. One recent example is about DUI child endangerment, which is when someone drives drunk with a child in the vehicle. Many think this is a fairly uncommon occurrence, but actually more than half of the children killed in drunk driving crashes in the United States are riding with the intoxicated driver. The reason I keep this particular direct mail piece is because it tells the story of a 5-year-old girl who was killed in a drunk driving crash when her mother was the drunk driver. Her father works for MADD now, and I know him well. I keep his daughter's picture out as a reminder of why we do what we do.

DELIVER: Anyone creating direct mail you admire?

ELLINGER: The most interesting pieces I've seen recently have come from a nonprofit organization that raises awareness about children with cleft palates. The organization has really pushed the envelope in terms of the images it uses to depict children with cleft lips and cleft palates.

For me, the graphic makes a direct mail piece that much more compelling. Recipients can see the before-and-after images and understand exactly what their donation does. These pieces also reflect what is going on more broadly in the nonprofit industry, I think, in that organizations are trying to be more cognizant of letting donors know exactly what is being done with their funds and how their donations have had a transformative effect. [▶](#)